

# Action Plan

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## Implementation of e-Procurement System

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# 1. Background and Purpose

## • Background

- ✓ In SL procurement accounts for **24% (\$ 4.06 billion)** of total Government Expenditure & 6.3% of GDP (2020)
- ✓ In PAK procurement accounts for **20% of GDP i.e. \$ 60 billion**, 13% siphoned off to corruption. Pakistan can save at least **\$18 billion** annually by optimizing its public procurement.
- ✓ Kyrgyzstan procurement budget accounts for **77.2 billion Soms**, except for the SOEs which is more than **50%** of the budget.

## • Purpose

- ✓ Improve governance, efficiency & economic development & investment and enhance trust in government.
- ✓ enhance competitive environment, that contributes to make procurement processes more accountable, transparent & efficient.

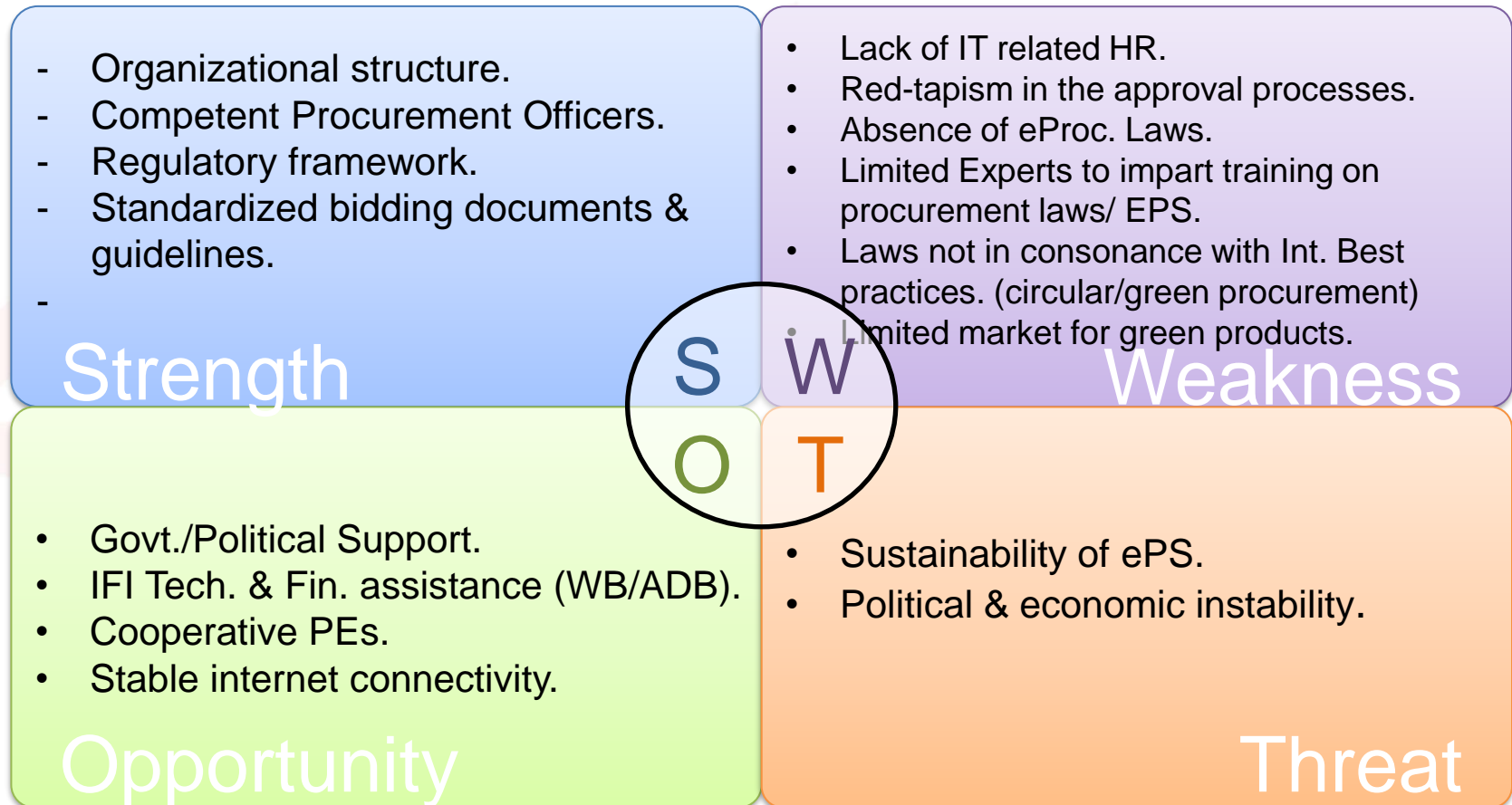
## 2. Current Status and Issues

- Manual procurement processes, inefficient & less transparent.
  - Poor accountability in the procurement processes leads to corrupt & fraudulent practices.
  - Lack of technical expertise with procurement regulatory bodies (IT & Procurement).
  - Capacity issues within line ministries including IT infrastructure.
  - Capacity issues with bidders.
  - Absence of certification bodies for product quality assurance.
  - Poorly paid procurement professionals vulnerable to corruption & frequent turnover.
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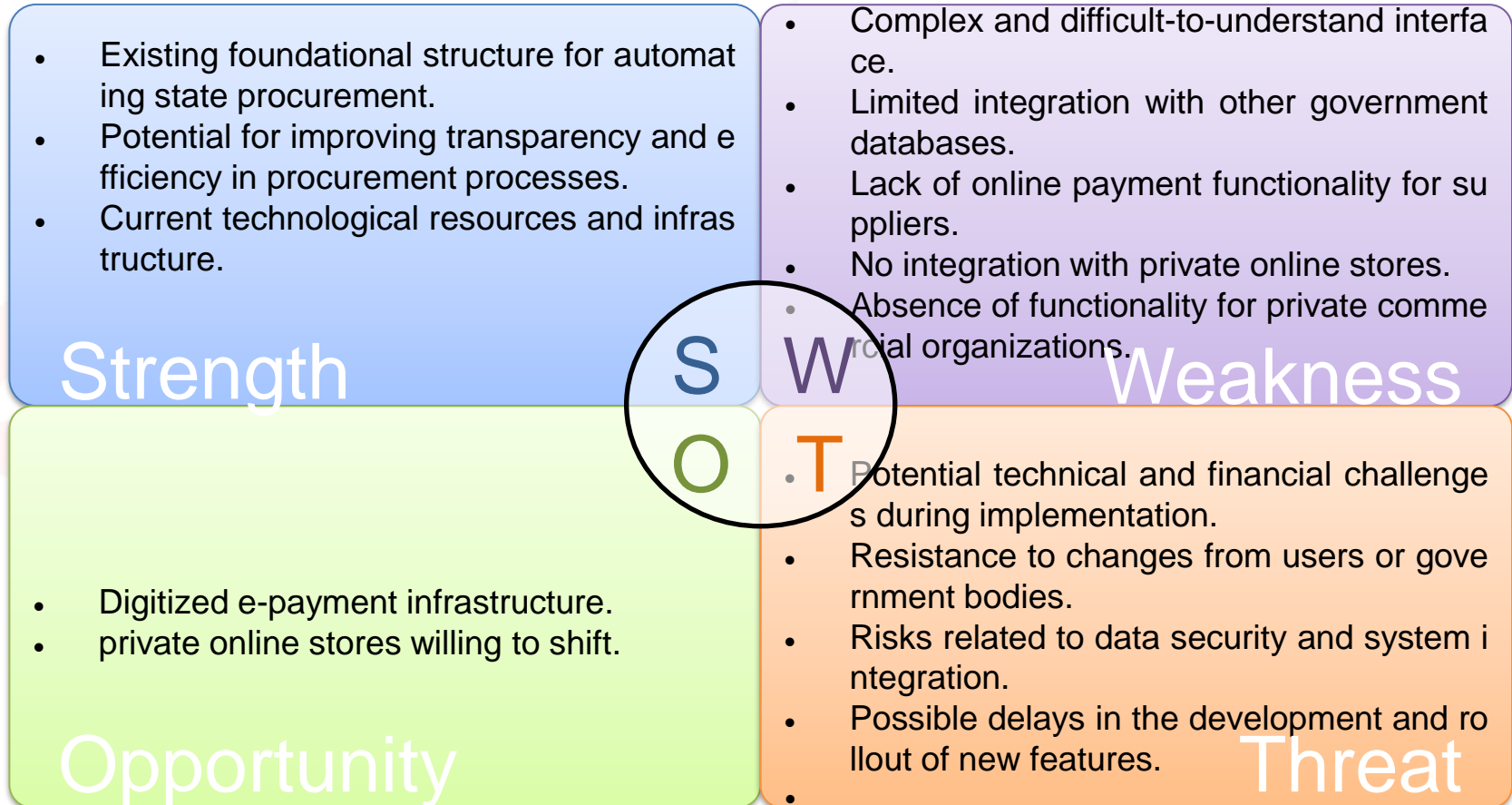
## 2. Current Status and Issues

- Resistance for the adoption of e-Procurement System. (Assessments & Consultations).
  - Integration with other govt. databases/ systems not complete.
  - Implement online payment functionality for suppliers.
  - Ensure integration with private online stores.
  - Develop functionality for private commercial organizations to act as customers.
  - Poor monitoring of procurement processes.
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## 2. Current Status and Issues – SWOT Analysis

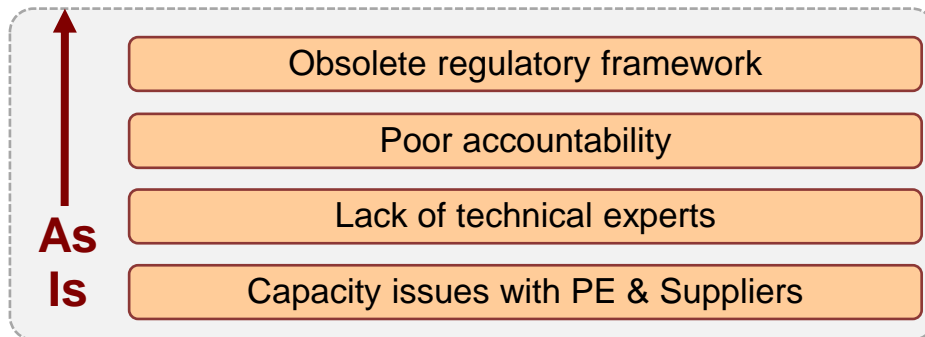
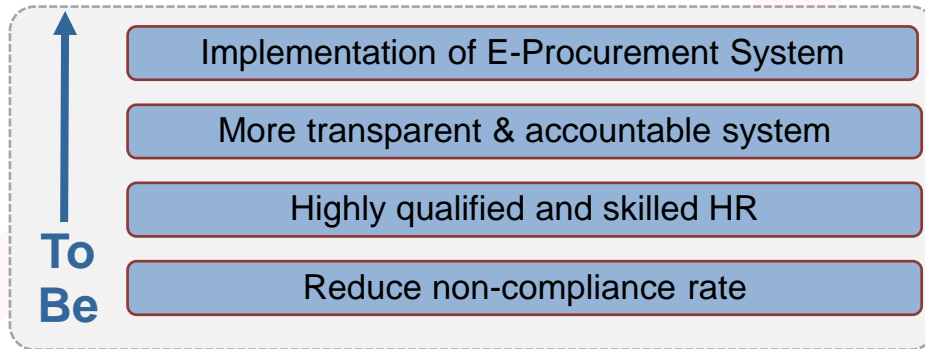


## 2. Current Status and Issues – SWOT Analysis



## 2. Current Status and Issues – Gap Analysis

### Proposed Overall Goals (Objectives)



### Proposed Purpose

Develop laws & policies for ePS

Extensive training program

CB & engagement of highly qualified & skilled HR

Develop mechanism for regulatory monitoring & compliance

Develop policies/ mechanism for complaint / grievances redressal



### 3. Improvement Strategy

1. In-depth assessment (HR & Regulatory law) of existing practices vis-à-vis int. best practices.
  2. Hiring of experts, building the capacity of existing human resources.
  3. Consultations / policy dialogue for overhauling the business processes re-engineering with stakeholders.
  4. Review existing or develop new regulatory framework / laws / regulations / policies / guidelines for improvement.
  5. Capacity building strategy for PE & Suppliers through master trainers.
  6. Collaboration & experience sharing with foreign procurement entities/ stakeholders.
  7. Develop Govt. Interoperability framework.
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### 3. Improvement Strategy

8. Simplify/ user-friendly Interface:
9. Integration with Other Government Databases:
10. Implement Online Payment:
11. Integration with Suppliers/contractors:
12. Develop a marketing strategy to attract private customers.

## 4. Specific Action Plan

- 1. Engagement/ hiring of consultant for In-depth assessment (HR & Regulatory law) to assess existing practices vis-à-vis int. best practices.**
  - Develop concept note for consultations/ policy dialogue.
  - Conduct assessment & develop report to decided further on the basis of recommendations.
- 2. Hiring of consultant for policy dialogue / consultations.**
  - Arrange consultative workshops with stakeholders on policy dialogue.
  - On the basis of recommendation, initiate process for policy review.
- 3. Formation of committee to review existing or develop new regulatory framework / laws / regulations / policies / guidelines for improvement.**
  - Draft polices referred to relevant forum for its approval.
  - Notification & enforcement of policies.
- 4. Hiring of consultant to develop training strategy for PE & Suppliers.**
  - Development of standardized training modules/ ToTs for master trainers.
  - Arrange trainings for PEs & Suppliers.
  - Develop tutorials, educational videos, LMS for PEs & Suppliers.
  - Develop follow-up mechanism to refine/improve training program.
  - Establish help-desk for consultations.

## **4. Specific Action Plan**

### **5. Collaboration & experience sharing with foreign procurement entities.**

- Frequent communication through digital media.
- Knowledge/ experience sharing through publications, conferences.
- Research and development.
- Technology transfer.

### **6. Integration with Govt. for Interoperability.**

- Signing MOUs (partnership for data exchange)
- API compatibility

## 4. Specific Action Plan

### 7. Simplify/ user-friendly Interface:

- Conduct an audit of the current interface and design a more intuitive, user-friendly version.
- Implement user testing to gather feedback and optimize the interface.

### 8. Implement Online Payment:

- Develop online payment functionality and integrate it with the treasury system.
- Ensure high security for transactions and compliance with regulatory requirements.

### 9. Integration with Suppliers/contractors:

- Coordinate technical requirements and integration with private platforms.
- Develop mechanisms for price monitoring and discount requests.
- Develop Functionality for Private Commercial Organizations:
- Create a separate module for private organizations within the system.

### 10. Develop a marketing strategy to attract private customers.

## 5. Outline of the Action Plan

### • **Implementing Organization**

- Name of the organization: Public Finance Dept. (SL)
  - Public Procurement Regulatory Authority (PAK)
  - Public Procurement Dept. (KRG)
- Nature or type of the organization: Govt. Organization
- Major functions of the organization:
  - Regulate financial management and procurement management

### • **Duration of the Project : (3) Year(s)**

- Date of commencement: September 2024
  - Date of completion: Aug 2027
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## ※ Action Plan – Time Table

**Duration: (3) Year(s), Sept 2024 ~ Aug 2027**



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## 6. Expected Results – Outputs/Outcomes

### • Economic Effects

- ✓ savings through e Procurement System.
- ✓ Cost of paper reduction.
- ✓ Reduction in administrative / operational / logistical cost.
- ✓ saving due to competitive bidding.

### • Technical Effects

- ✓ Transparent procurement system.
- ✓ Enhanced competition.
- ✓ Procurement of Quality products

### • Social and Environmental Effects

- ✓ SMEs, women-led enterprises to participate in public procurement.
- ✓ Introducing sustainable / green public procurement.

## 6. Expected Results – Challenges/Solutions

### • Challenges and Risks

- ✓ Financial assistance / sustainability
- ✓ procurement professionals frequent turnover.
- ✓ Risk related to data security.

### • Solutions

- ✓ introduce financially self-sustaining models.
  - ✓ Incentivize procurement professionals through market competitive salaries & continuous investment to build capacities.
  - ✓ customized contract document to maintain data sanctity/ security.
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# Action Plan

